



OFFICE OF
INSURANCE COMMISSIONER

6476 02/24/06

\$6,000.00 ✓

In the Matter of:

FEDERAL HOME LIFE
INSURANCE COMPANY,

An Authorized Insurer.

No. D 05-425

CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. Federal Home Life Insurance Company ("Federal Home") is authorized to conduct insurance business in Washington State. It issues individual health insurance.
2. RCW 48.20.025(5) requires every insurer issuing or renewing individual health benefit plans in this state during the previous calendar year to file for review by the Insurance Commissioner supporting documentation of its actual loss ratio for its individual health benefit plans offered or renewed in the state for the preceding calendar year. This documentation must be filed with the Commissioner by the last day of May each year following the calendar year which is the subject of the documentation. The statute became effective on March 23, 2000.
3. Federal Home failed to timely file its documentation for calendar years 1999, 2000, 2001, 2002, 2003, and 2004. The documentation for calendar years 2000 through 2004 was filed in 2005.
4. In late April of 2005, the Office of the Insurance Commissioner ("OIC") became aware that Federal Home Life had failed to file the annual cost ratios for calendar years 2000, 2001, 2002, 2003, and 2004.

Conclusions of Law:

1. Federal Home's failure to timely file its calendar year loss ratios for 1999, 2000, 2001, 2002, 2003, and 2004 violated RCW 48.20.025(5).

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Consent to Order:

Federal Home Life Insurance Company consents to the following, in order to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. Federal Home Life consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waive further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.
2. Within thirty days of entry of this Order, Federal Home Life Insurance Company will pay to the OIC a fine in the amount of \$6,000 (six thousand dollars).
3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by Federal Home in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 16th day of February, 2006.

FEDERAL HOME LIFE INSURANCE COMPANY

By: 

Printed Name: Matthew W. Cooper

Printed Corporate Title: Asst. Secretary + General Counsel

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follow

1. Federal Home Life Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$6,000 (six thousand dollars).
2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of authority held by Federal Home Life Insurance Company in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 22nd day of February, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler

Marcia G. Stickler
Legal Affairs Division